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ZNR UUUUU ZZH  
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FM AMEMBASSY TUNIS  
TO RUEHC/SECSTATE WASHDC PRIORITY 3705  
INFO RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0919  
RUEHAS/AMEMBASSY ALGIERS PRIORITY 7514  
RUEHEG/AMEMBASSY CAIRO PRIORITY 1469  
RUEHLO/AMEMBASSY LONDON PRIORITY 1340  
RUEHNC/AMEMBASSY NOUAKCHOTT PRIORITY 0901  
RUEHFR/AMEMBASSY PARIS PRIORITY 1814  
RUEHRB/AMEMBASSY RABAT PRIORITY 8423  
RUEHTRO/AMEMBASSY TRIPOLI PRIORITY 0128  
RUEHCL/AMCONSUL CASABLANCA PRIORITY 4128  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY

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SIPDIS

SENSITIVE  
SIPDIS

STATE FOR NEA/MAG (HARRIS) AND EB/IPE  
STATE PASS USTR (BURKHEAD) AND USAID (MCCLLOUD)  
USDOC FOR ITA/MAC/ONE (NATHAN MASON), ADVOCACY CTR (JAMES),  
AND CLDP (TEJTEL AND MCMANUS)  
USDOC PASS USPTO (ADAMS, BROWN AND MARSHALL)  
CASABLANCA FOR FCS (ORTIZ)  
EGYPT FOR FCS (MOEZIE)  
LONDON AND PARIS FOR NEA WATCHER

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [EFIN](#) [KIPR](#) [TS](#)

SUBJECT: MONCEF BEY: BIG SCREENS, SMALL BILLS

11. (SBU) SUMMARY: The central Tunis "Moncef Bey" market is where most Tunisians go to buy affordable imported and counterfeit electronics. From cell phones to satellite dishes, plasma televisions to washing machines, Moncef Bey has nearly every kind of electronic equipment, household appliance, and even some clothing. Despite GOT efforts to regularize such informal markets, there is little indication Moncef Bey's days are numbered. Rumors suggest that members of President Ben Ali's extended family are involved in running the operation. END SUMMARY.

12. (U) Located just north of downtown Tunis, Moncef Bey Market sells suspiciously imported and many counterfeited products at bargain prices. When in search of household electronics, Tunisians refer everyone to Moncef Bey. A concrete wall surrounds a set of warehouse-like buildings where most of the items are sold. Upon entering the market, consumers may be asked what they are looking for by a young man along the sidewalk and then be guided to a particular merchant. Consumers are also able to meander throughout the market at their leisure, with minimal to moderate haggling. Beyond the wall surrounding the main buildings, vendors line two perpendicular streets, selling electronics off of tables, out of trucks, and in small stores. At the end of the far street is a "louage" (group taxi) station and a Tunisiana (cellular provider) store, their reputable services starkly contrasting with the questionable business of Moncef Bey.

13. (U) Unlike at the Tunis Medina souqs, where there is a melange of genders and ages, merchants and consumers at Moncef Bey tend to be middle-aged men. EmbOff saw only two women on a weekday morning at Moncef Bey, both of whom were accompanied by men. Unlike at all-male cafes, however, the men at Moncef Bey acted no differently toward female EmbOff than toward male EmbOff and other male consumers. Despite announced GOT plans to integrate illegal markets into the official market system, no police officers were seen at or around Moncef Bey. There is also speculation that despite

the lack of uniformed police, some merchants may be informants for the Ministry of the Interior. Merchants and consumers interacted with little tension and merchants were seen to be less aggressive than at the Medina; perhaps cognizant that their low-priced products need little high-pressure marketing.

¶4. (U) Such low prices in a market that is dominated by high tariffs suggest Moncef Bey is a traditional parallel market. Plasma televisions range from approximately US \$1540 to US \$3470 at Moncef Bey while the same products cost approximately US \$1925 to US \$4620 at the local Carrefour. Large electronics such as televisions do not appear to be counterfeit, though many speculate that they are imported tariff-free. On the other hand, smaller electronic devices such as MP4s are functioning products with false labels. MP4s labeled as Sony and Apple have identical music and video features as each other, neither of which are the options available on legitimate Sony or Apple products. EmbOff found that music and videos could be played on the devices, but the technology is not as sophisticated as a legitimate iPod or equivalent product. Prices for a 1GB MP4 are approximately US \$20, while a 1GB MP4 at Carrefour costs about US \$90. Products were seen being transported to and from the market in unmarked pick-up trucks.

¶5. (SBU) COMMENT: Although the GOT is fully aware of the existence of Moncef Bey, it seems no one is ready to address the fundamental corruption (from illegal imports to counterfeit products) on which the market is based. Rumors suggest members of President Ben Ali's extended family (on his wife's side) are involved in running the operation, which would help explain how the market has continued to operate unhindered. Such unsubstantiated rumors are inherently

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difficult to prove. But the GOT was quite open in its support for the Moncef Bey vendors when the site they previously occupied burned down in 2000: a presidential statement announced a series of relief measures, including the provision of a new site for the market.

¶6. (SBU) COMMENT, cont'd: According to a 2002 World Bank report, the informal economy accounts for approximately 38 percent of Tunisia's GDP. The Ministry of the Interior and the Ministry of Commerce have announced plans to integrate some illegal markets in Tunisia into the official market system that would impose payment of taxes and official import charts - part of a national strategy to combat parallel markets. To date, there is no evidence that Moncef Bey, one of the largest markets in Tunisia, is likely to be a part of the initial effort. Considering these markets are the only source of income for many families, and satisfy consumer demand for quality electronics at reasonable prices, the strategy will likely not be implemented there until other employment opportunities are available and high import tariffs are reduced. END COMMENT.  
GODEC